

From: [Webster, Susan](#)
To: [Moore, Gary](#); [Petersen, Chris](#); [Broyles, Ragan](#)
Subject: Re: Falcon Refinery "Enforcement Confidential"
Date: Wednesday, February 19, 2014 7:32:17 AM

Talked with Ragan yesterday on this. We can cont to work with owner on removal. Do u know what's needed to declare dock "usable"? Set up a call for 1030 or 11 am today for u, me and CP. Rb on travel. (b) (6) TX

From: Moore, Gary
Sent: Tuesday, February 18, 2014 12:07:52 PM
To: Petersen, Chris; Broyles, Ragan; Webster, Susan
Subject: Falcon Refinery "Enforcement Confidential"

Hello:

Attached is a draft powerpoint.

Are you guys aware of this pre-briefing tomorrow? and then a briefing with Carl on Thursday?

The current issue is that the property owner is wanting EPA to give them a letter indicating that the Dock area is clean and EPA plans no further action. He needs this for the bank as collateral to get a loan for about \$10 million to refurbish the facility tankage which will require the completion of the removal action since the majority of the problems are within the tanks (waste).

My WAG estimates it will cost between 4.5 to 6 million to complete the removal action. The removal program does not have this kind of money and the remedial program is no where near the point they can write a ROD and get this kind of money or more. What are we to do?

Options:

1. We file default on the Removal Order. We don't have the money and nothing gets done or we try to piece meal the cleanup action (will have to use consistency exemption or combination emergency and consistency exemption) to exceed the 1 year timeframe on Removal Actions.

- We lose the current redevelopment activities for the site**
- LTR1 is a shell company and really has not money so if they close up shop we have no one else to really go after since NORCO is a shell company and also has no money. The owner of NORCO is deceased.**

2. We continue to work with the current owner and make them spend their money or the money they borrow. If its possible to make the determination that the dock is clean and it can be used as collateral, then maybe they can get the \$10 million dollar loan they are pursuing and refurbish the remaining tankage and get rid of the on-site waste in the tankage and ultimately put the facility in a position as an oil storage terminal and barge facility and continue improvements on the property.

- It is my belief that our failure to continue to work with them drops the facility directly into our laps completely without the resources to effectively manage and ultimately may discourage the property from being productive.

3. We do some type of partial default where we go in and spend whatever money we can muster up to take some actions to get rid of the waste. We spend so much per year while the owner continues spending the money he gets through the loan.

- I am not sure we would be able to file a lien to cover our costs because this would scare off the potential lenders and then we would have to come up with all the money anyway and the property would be no closer to being productive.

It is my opinion that none of these options are great but at least option 2 has the best opportunity of maybe getting the property cleaned up and it being productive.

Risks: They have a release from tank 7, 12, 26 or 33 that they do not respond to and EPA has to respond and address

They have a release from tank 7, 12, 26, or 33 as a result of a natural disaster such as a hurricane and the materials are discharged into the environment.

Gary Moore

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